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SUBJECT: SFRC STAFFDEL MEACHAM-WHITESEL RESEARCH FOOD SECURITY
ISSUES IN COSTA RICA

RE: STATE 123682

SUMMARY

¶1. SFRC staffers Carl Meacham and Aaron Whitesel visited Costa Rica December 7-9 and Guatemala December 9-13 to conduct research on food security issues. They compared and contrasted the experiences of two countries with far different food security issues. The findings will help inform and shape SFRC action on food security policy. Unlike other countries in Central America, relatively better-off Costa Rica has not yet faced serious food security problems. Nevertheless, the GOCR is working to improve the country's food production and food supplies.

¶2. In Costa Rica, the Staffdel met with the Ambassador, members of the country team, the Minister of Agriculture; officials from the Institute for InterAmerican Cooperation on Agriculture (IICA); the Vice Minister of the Economy and key legislators. The Staffdel also traveled to EARTH University in Guapiles to tour the campus, meet with faculty and staff, and review agricultural development programs with future food security applications. The STAFFDEL's interlocutors described Costa Rica's plans to increase local rice and bean production to improve food security, noted the negative impact of the world financial crisis on farm credit and stressed the importance of training and infrastructure, as well as credit access, to help Costa Rica ensure its own food security. The site visits showed how Costa Rica-based regional and international entities are helping other countries better address food security issues. END SUMMARY.

¶3. BACKGROUND: Senator Lugar directed minority staff of the Senate Foreign Relations Committee (SFRC) to undertake a study of global food security. The study will, in part, support a bill introduced by Senators Richard Lugar (R-IN) and Robert Casey (D-PA) titled the "Lugar-Casey Global Food Security Act". The purpose of the bill is to improve the U.S. emergency response to food crises, to establish a Global Food Security Strategy overseen by a Special Coordinator for Global Food Security, to increase resources for long-term rural development programs, and to enhance human capacity through higher education for agriculture and extension.

¶4. MEETINGS WITH THE U.S. EMBASSY: With the Ambassador and DCM Peter Brennan, the STAFFDEL asked about overall security issues in the region and CAFTA-DR implementation. The STAFFDEL learned that despite relatively low security threats in Costa Rica compared with neighboring states, the security situation is deteriorating, with narcotic trafficking and violent crime on the rise. Although the final steps are somewhat complicated, the Ambassador and DCM told the STAFFDEL that CAFTA-DR is expected to enter into force for Costa Rica on January 1, 2009. DCM chaired a follow-on meeting for the STAFFDEL with members of Embassy San Jose's country team, which provided the staffers a broad overview of bilateral and regional issues.

15. MEETING WITH MINISTRY OF AGRICULTURE: Staffers met with Minister Javier Flores and Vice Minister Roman Solera to discuss Costa Rica's approach to food security. Flores expressed strong support for imports into Costa Rica to meet its food security needs. However, the minister stated that he planned to promote efforts to increase local production of rice and beans in order to improve food security. Costa Rica depends on the United States for virtually all of its rice imports. Minister Flores also stated that the credit crunch is affecting farmers because they cannot obtain small loans. The minister's personally supports biotechnology; however, he acknowledges that many in the GOCR oppose the application of biotechnology to agricultural production.

16. MEETING WITH IICA: Dr. Chelston Brathwaite, IICA Director General, led the delegation from IICA. To promote food security, IICA proposed increased efforts to train farmers, provide credit and improve agricultural infrastructure to help them produce and ensure food security. As a response to the recent spike in food prices, IICA expects to see an increase in support subsidies for poor farmers. However, the aim of the subsidies would change from shielding domestic production from competition to focusing on building infrastructure and capacity.

17. MEETING WITH COSTA RICAN GOVERNMENT OFFICIALS: Over lunch, the staffers met with Vice Minister of Economy Eduardo Sibaja and legislators Evita Arguedes (IND), Andrea Morales (IND), Jose Manuel Echandi (IND) and Guyyon Massey (PRN). The legislators represented key committees and the national legislature's leadership. All but Morales were pro-CAFTA, but she broke with her party to not oppose CAFTA following the 2007 national referendum on the issue.

18. In frank and wide-ranging discussions, the STAFFDEL heard about
the need for additional U.S. aid for Costa Rica, optimistic expectations for the Obama administration, plans to address food security, Costa Rica's goal to carve out niche export markets with the EU and China (once CAFTA is completed), the growing importance of the international service sector to Costa Rica ("back office" operations by multinationals and call centers), and Costa Rica's planned accession to Petrocaribe - Venezuela's oil program. The legislators agreed with Meacham's assessment that renegotiation of CAFTA (as called for by the leading opposition party) was highly unlikely in the next administration. They also candidly described the structural, legal and political impediments that made Costa Rica difficult to govern effectively or efficiently. On Petrocaribe, Sibaja reiterated that the GOCR was acting out of economic pragmatism; there were no plans to move closer to Venezuela politically. He and the legislators also noted Costa Rica's interest in greater involvement in bio-fuel initiatives.

19. EARTH UNIVERSITY VISIT: Staffers traveled east of San Jos to Guapiles, Costa Rica, where they toured EARTH University. Originally founded with a generous grant from USAID, EARTH was inaugurated in 1990 as an international, private, not-for-profit university dedicated to education, extension, research and the generation of value through production, transformation and commercialization activities. The academic program, leading to a "licenciatura" degree, emphasizes the agricultural sciences and the rational management of natural resources. EARTH programs focus on sustainable development, with its 400 students drawn from under-developed and developing countries in Latin America and the Caribbean, Asia, and Africa.

110. Accompanied by Provost Dr. Daniel Sherrard, the STAFFDEL viewed student projects in Costa Rica; learned about EARTH-supported education and extension projects in Africa and Asia; and visited EARTH's on-site livestock operation, banana paper mills, and banana plantations. EARTH University has approximately 10,000 hectares of bananas in Cost Rica; the majority of production is sold to Whole Foods.

111. STAFFDEL Meachan-Whitsel did not clear this cable in advance.

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